TOWARD 2000

ISSION STATEMENT

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Alberta

ECONOMIC DEVELOPMENT
AND TRADE

Office of the Minister

324 Legisiature Building, Edmonton, Alberta, Canada T5K 2B6 403/427-2134

March, 1991

Honourable Dr. David J. Carter
Office of the Speaker
Legislative Assembly of Alberta
Room 325, Legislature Building
Edmonton, Alberta
T5K 2B6

Dear Sir:

I have the honour to present the annual report of Alberta Economic Development and Trade for the fiscal year ended March 31, 1990.

Respectfully submitted,

Peter Elzinga

Peter Elzinga
Minister

TOWARD 2000

INTRODUCTION

The year in review marked the beginning of a new decade - the last before the pivotal turning point of a new century. With its theme of Toward 2000, this annual report acknowledges the importance of setting clear directions for Alberta's economic future, both within the province and throughout the international marketplace.

With massive changes sweeping across the global economy, it will be essential during the 1990s to ensure Alberta is poised and prepared to compete in the highly technological world of the 21st century. During the year, Economic Development and Trade began developing a framework for an effective long-range strategy, joining forces with business, industry, and community leaders to assess the challenges and identify the opportunities which lie ahead.

To continue the momentum of success which saw Alberta record its strongest ever economic performance in 1989/90, the Department also concentrated its efforts on assisting businesses, communities, and individual entrepreneurs throughout the province. By providing a range of programs to reinforce the spirit of self-reliance, the Department assisted companies in all sectors to achieve their immediate goals, at the same time encouraging them to look ahead toward the Year 2000 - to develop competitive and effective strategies for the decade to come.

THE YEAR IN REVIEW

During 1989/90, the success of Alberta's economic diversification strategy became abundantly clear as the provincial economy continued to demonstrate unprecedented growth and stability. The province once again led the nation in GDP growth and attracted a higher per capita level of investment than any other province.

Programs and services offered by the Small Business and Industry Division provided the impetus for viable new developments throughout the province. To encourage economic planning at the grass-roots level, the Business Initiatives for Alberta Communities (BIAC) program was launched in June of the year. BIAC proved singularly effective in bringing new economic life to 95 smaller centres, with more then $790,000 in funding provided to support local community innovation and self-reliance.

In backstopping private sector success, a number of support programs were available to Alberta businesses. The Export Loan Guarantee Program continued to deliver impressive returns, with loan guarantees totalling less than $50 million helping 63 Alberta exporters to generate more than $193 million in international sales. In June, the Alberta Small Business Interest Shielding Program and the Alberta Capital Loan Guarantee Program were launched to protect small businesses and farm operations from soaring interest rates and to provide financing for viable business ventures.

A surge of small business activity was reflected in an increase of nearly 20 per cent in client contacts handled by the Business Counselling and Development Branch. More than 40,000 Alberta entrepreneurs and businesses contacted the Branch during the year, with calls to the toll-free Business Line alone topping the 11,000 mark. Three in every ten calls came from individuals in communities with populations of under 10,000, compelling evidence that small businesses are thriving in rural areas and small centres as well as in larger cities.

Major industrial developments gathered momentum throughout the province during the year, with projects amounting to approximately $19 billion planned or underway. The Industry Development Branch played a leading role in attracting investment and galvanizing industrial development in enterprises ranging from a new paper recycling facility to a telecommunications manufacturing project.

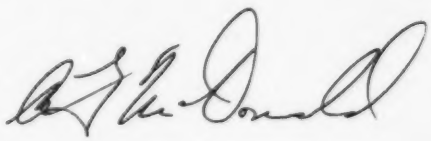
To keep established exporters in touch with changing market conditions and to introduce first-time exporters to international opportunities, the Trade and Investment Division encouraged participation in trade shows, provided market intelligence to Alberta companies and led trade and investment missions to countries ranging from Argentina to the U.S.S.R.

Among other initiatives, Europe '92 seminars were held in Edmonton and Calgary and the Let's Talk Trade seminar series was expanded to include components on Europe and the United States. Seminars focusing on export opportunities and the Canada/U.S. Free Trade agreement were also conducted in a number of smaller Alberta centres. During the year the first Agreement was in effect, Alberta businesses proved adept in seizing opportunities in the U.S. marketplace, seeing exports increase $500 million over 1988.

Demonstrating their considerable skills in the international arena, Alberta's exporters recorded total sales of $14.6 billion, seeing overall exports increase for the third consecutive year.

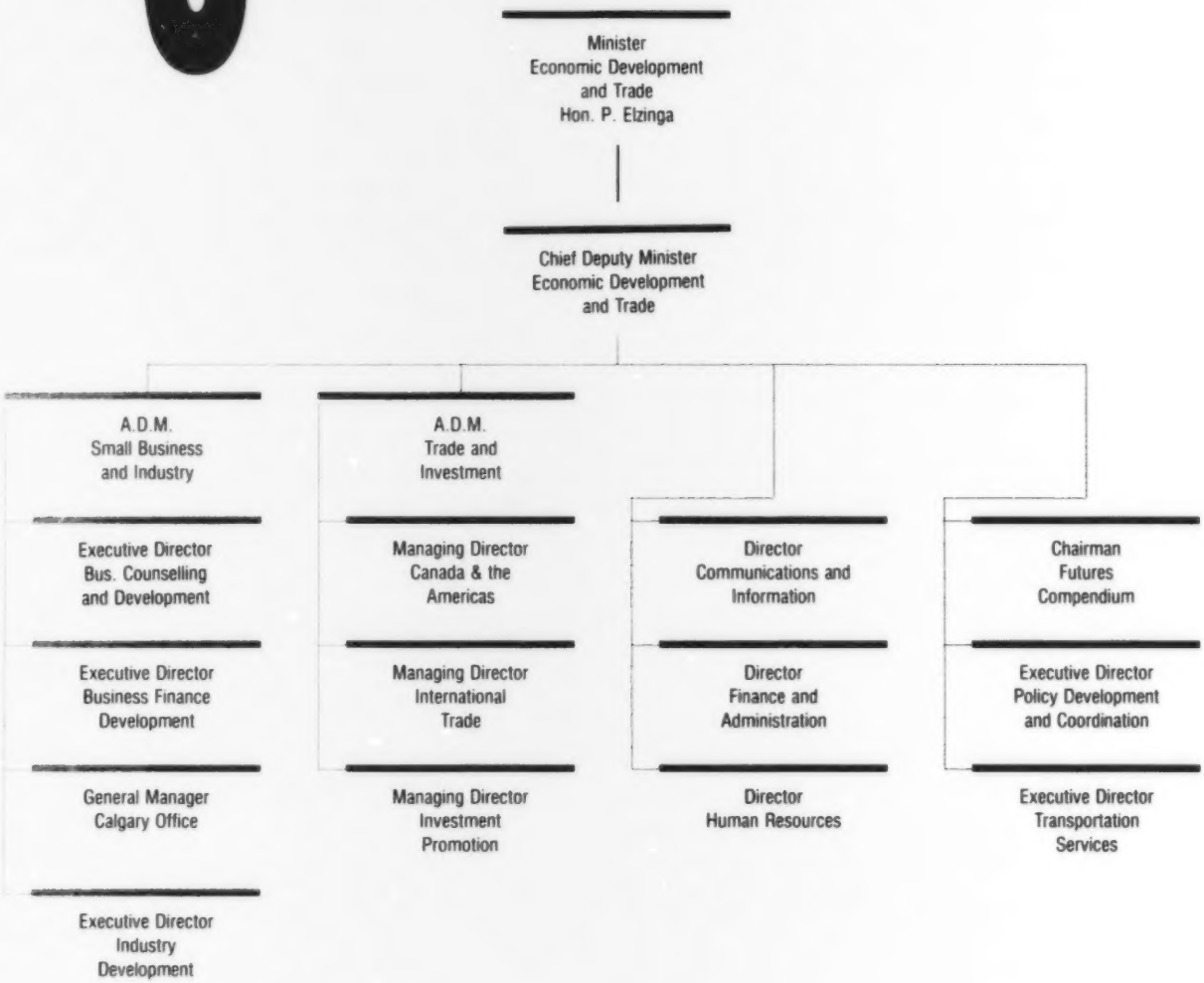
As a significant indicator of strides taken in economic diversification, exports of services virtually doubled, increasing from $800 million in 1988 to more than $1.5 billion in 1989.

Economic performance on this scale provides a clear indication of the strength and stability of the province's economy. Such impressive results also set the stage for continued growth and diversification throughout the decade to come, as Alberta forges ahead toward the opportunities of the new century.



Al G. McDonald
Deputy Minister

ORGANIZATIONAL CHART



REPORT FROM THE DIVISIONS

SMALL BUSINESS AND INDUSTRY

The Small Business and Industry Division encourages business development in Alberta. This mandate is achieved by developing and implementing policies and programs that assist existing Alberta businesses to grow and encourage new businesses and industries to establish in Alberta. The Division works with business, industry, business related organizations, and Alberta communities - as well as other divisions, departments, and governments.

The Division has five branches: Business Counselling and Development, Industry Development, Business Finance Development, Research and Analysis Services, and the Calgary Office. The Division also has 10 regional offices throughout the province which provide expertise and support to Alberta communities.

BUSINESS COUNSELLING AND DEVELOPMENT

The Business Counselling and Development Branch assists Alberta communities to enhance business activity in a manner compatible with local resources, leading to balanced growth and economic stability throughout the province. This goal is accomplished by developing and impiementing policies, programs, and services - all based on the principles of self-help and cooperative participation in support of the business development initiatives of Alberta businesses, entrepreneurs, individuals, municipalities, and economic development and business organizations.

HIGHLIGHTS

- *Launched Business Initiatives for Alberta Communities Program in June 1989. A total of 95 Alberta communities participated in projects funded by the program for the 1989/90 fiscal year, amounting to disbursements of $792,307.*
- *Branch client contacts amounted to close to 41,700 - over a 19% increase from the previous fiscal year. In addition, the toll-free Business Line service handled over 11,200 calls, 30% of which originated from communities with a population less than 10,000.*
- *The Management Assistance Program (MAP) supported 12 regular programs, three retail programs and one hospitality program in 17 communities for a total of 504 participating businesses. One MAP was run for chamber of commerce managers and executives in east central Alberta and two programs were run under the Export Trade Readiness for Alberta Program, involving 20 businesses.*
- *Under Market Feasibility Assistance activities, 26 studies were undertaken with Alberta businesses at a total cost of approximately $120,000.*
- *The Long-Term Management Assistance Program supported eight projects for an approximate cost of $71,700.*
- *Six projects were funded by the Small Business Incubator Support Program. The total commitment was approximately $361,000. Fifteen community presentations were also made.*
- *The Branch represents the Department in the Alberta/Metis Framework Agreement, a new government-wide initiative to address Metis development issues. For 1989/90, $75,000 in grant funding was provided to the Economic Development and Trade Sub-Committee established by the Agreement.*
- *In fiscal 1989/90, several initiatives were undertaken to update and maintain the Branch Business Information Resources - a revised set of Community Profiles were completed for 200 communities and a new Community Economic Development manual, "Communities on the Grow", was distributed. In addition, work continues on updating and reformatting the "Kinds of Business Files", a major counselling and information tool.*

INDUSTRY DEVELOPMENT

The Industry Development Branch plays a leading role in enhancing industrial development, economic diversification, and the growth of private sector enterprises. Strategies are employed through the implementation of initiatives that encourage specific patterns of technical investment and productive achievement in industrial sectors. This goal is accomplished by working with Alberta businesses, investors, and industrial organizations - as well as other divisions, departments and governments - and advising on industrial capacity, supply capability and development, procurement opportunity, and site locations.

HIGHLIGHTS

- *Provided technical and financial assistance to FRE Pultrusions to manufacture oil field sucker rods and advanced composite products for the aerospace industry. Total planned investment is $6.7 million and the plant will employ 61 people at full capacity.*
- *Assisted with the development of the petrochemical industry, including procedures for implementing the ethane policy. Albright and Wilson Americas, CanadianOxy, and Albchem Industries are each finalizing permits to construct sodium chlorate manufacturing plants in Alberta. Du Pont began construction of its $120 million hydrogen peroxide plant at Gibbons.*
- *Was involved in the analysis of Consumers Paper Corp.'s paper recycling facility to be built in Redcliff, with initial employment of 120 persons. The project is to have a cost of $30 million and is supported by the Province through a $15 million loan guarantee.*
- *Supported Hughes Aircraft Co.'s proposal which will result in establishing Canadian corporate offices, a 400-job telecommunications manufacturing project, and a CF-18 radar overhaul and repair facility in Calgary.*
- *Continued to work with Federal Government officials and all prospective prime contractors, leading to significant Alberta participation in the $800 million Tactical Command Control & Communications System Project.*
- *Administered the Alberta Government's policy on the utilization of Alberta design, engineering, construction, and manufacturing services on major industrial projects totalling approximately $19 billion.*
- *Continued to develop and carry out the Quality Assurance Program. Hosted and organized over 40 seminars which reached over 1000 individuals representing some 600 firms. The Branch was also instrumental in the development of a consulting industry focused on quality, and initiated the creation of the Alberta Quality Council.*
- *Assisted Sika Canada Inc. with selecting the site for a new manufacturing plant. Start-up is expected in late summer 1990. This new plant will put Sika in a better position to serve the needs of the growing western construction and industrial markets.*
- *Finalized the short/medium term delivery of Western Purchasing Information Network (WPIN). An understanding was reached with British Columbia whereby Alberta private sector organizations would be allowed to access WPIN through the British Columbia Business Network (BCBN).*

RESEARCH AND ANALYSIS SERVICES

Research and Analysis Services provides policy, program, and research support to various Branches of the Small Business and Industry Division. This support is accomplished by working with Division and Department staff, business, industry, business-related organizations, entrepreneurs, individuals and Alberta communities, as well as other departments and governments.

HIGHLIGHTS

- *Completed and contributed to numerous research studies, proposals, and reports on specific products and industry sectors. These included waste minimization and recycling development, business information dissemination, and manufacturing strategies.*
- *Coordinated the Division's responses and positions on small business, industry, and community economic development issues.*
- *Provided market research and business information assistance on over 800 topics requested by the private and public sectors.*
- *Continued to research and disseminate information on entrepreneurial education and development activities.*
- *Conducted reviews and evaluations on various Divisional programs and services.*
- *Participated in the improvements and enhancements of the Small Business Database.*
- *Provided support to the Task Force on International Business Education and the Practical Arts Review.*

BUSINESS FINANCE DEVELOPMENT

The Business Finance Development Branch provides financial support services to the department, other government departments, and the private sector. The Branch administers specific programs and provides significant input into the development, implementation, and administration of financial initiatives designed to foster business development and diversification in Alberta.

The Branch closely monitors existing loans, investments, grants, and loan guarantees; administers financial initiatives designed to enable Alberta business and industry to identify and pursue business opportunities leading to economic growth; works in concert with the financial community to coordinate their efforts to meet the financial needs of Alberta business; and evaluates and provides recommendations with respect to special initiatives or individual projects proposed by the department, other government departments, or the private sector.

HIGHLIGHTS

- *Began operation of the Alberta Small Business Interest Shielding and Alberta Capital Loan Guarantee Programs on June 26, 1989. In fiscal 89/90, 8,663 applications were received and 7,705 approved by the Small Business Interest Shielding Program. Rebate payments of $851,389 were paid for 4,109 approved companies. The Alberta Capital Loan Guarantee Program received 341 applications and approved 315 during the 1989-90 fiscal year for a value of $14,092,589.*
- *Assisted 63 companies under the Export Loan Guarantee Program with loan guarantees of $47,994,000, which allowed them to generate $193,321,700 in export sales.*
- *Assisted 234 Alberta companies in developing new export markets under the Market Development Assistance Program, for a cost of $449,310.*
- *Approved 13 projects of Alberta companies pursuing contracts outside of the province, under the Export Services Support Program at a cost of $543,089.*
- *Provided investments, grants, loans, and loan guarantees totalling $177,313,000 to 11 Alberta projects under Special/Extraordinary Proposals. These funds are intended primarily to aid in the diversification of the Alberta economy.*

CALGARY OFFICE

The Calgary Office is responsible for representing the department in Calgary in all elements of departmental activities. The staff of the Calgary Office work with businesses, individuals, entrepreneurs, and industry representatives. As well, they maintain a network of senior contacts in both the private and public sectors.

HIGHLIGHTS

- *Responded to more than 10,000 inquiries related to business counselling, trade development, and investment opportunities.*
- *Assisted the Department in staging the Let's Talk Trade Seminar in Calgary. Over 300 participants attended this seminar which was organized in conjunction with the Calgary Chamber of Commerce.*
- *Appointed a trade director in Calgary, in cooperation with the Department's Canada and the Americas Branch, for companies seeking market development in the Mountain States region of the U.S.A.*
- *Assisted Kala Naft, the purchasing arm of the National Iranian Oil Company, with the establishment of their Calgary office.*
- *Continued to coordinate the Annual Visit of the Agents General, Alberta Small Business Week, and various incoming trade missions.*
- *Represented the department at several trade shows and public seminars.*
- *Developed and introduced the Investment Matching Service of Alberta, in cooperation with the Business Finance Development Branch. This service is a professional, computerized service designed to match domestic/ international investors' preferences with Alberta business needs.*
- *Assisted, in cooperation with the Business Counselling and Development Branch, in the delivery of the Market Feasibility Assistance Program and the Long-Term Management Assistance Program to Calgary companies.*

TOWARD
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TRADE AND INVESTMENT DIVISION

The Trade and Investment Division promotes economic growth and further diversification of the province's economy by assisting and encouraging Alberta businesses to participate in export trade and to attract investment.

The Division works with new or established companies to identify and access new export markets by organizing and coordinating a number of trade activities including Ministerial/Trade Missions and Trade Shows. In each of the Division's Trade Promotion activities, emphasis is placed on a close liaison and working relationship with the private sector.

The Trade and Investment Division includes the following Branches: International Trade, Canada and the Americas, Investment Promotion, Trade Show Promotion, Market Research and International Finance, and Marketing Strategies.

INTERNATIONAL TRADE

The International Trade Branch identifies new international market and investment opportunities in the priority target countries of the European, Middle Eastern, Asia/Pacific, and African regions. The Branch provides export marketing assistance to Alberta businesses to increase their effectiveness and competitiveness in the international marketplace. Assistance is provided through outgoing marketing missions, incoming buyer's missions, seminars, and export counselling. Other unique and innovative approaches to international marketing have also been implemented, including the formation of the Alberta Colleges & Technical Institutes International Committee (ACTIIC) and the international Market Update Sessions.

HIGHLIGHTS

- *Facilitated a joint venture arrangement between an Alberta company and a partner from Norway which led to these companies winning two contracts ($28 million and $2.4 million). The first contract was awarded by Norske Shell to build and outfit a drilling rig, substructure, and mud-treatment package for the Draugen offshore North Sea platform. The second was for the supply of automatic remote controlled drilling equipment.*
- *Received 31 incoming missions and assisted with arrangements for 11 outgoing missions for the USSR/Eastern Europe area. Three hundred and twenty-eight Alberta companies were introduced to new market opportunities and, despite major political changes and serious shortages of hard currency, exports exceeded $245 million.*
- *Supported the development of major joint ventures between the Soviets and Alberta companies to service 4,500 oil/gas wells in Siberia. As well, the Government of Alberta entered into an agreement with the Russian Republic, linking 15 Soviet Ministries and 10 Alberta Departments to promote technology exchange and strengthen trade.*
- *Facilitated the signing of a formal distribution agreement between an Alberta company and Philips Radio Communications of Copenhagen, Denmark. This was done through the London Office. The agreement calls for the delivery of 6,000 computerized taxi meters in the first year (1990) and 7,500 in subsequent years; provides for design and manufacture of new generation meters; and will generate approximately $2 million.*
- *Undertook intensive trade development activity with Iran to reconstruct and expand war-torn oil and gas facilities. A December 1989 incoming mission, led by Iran's Deputy Minister of Petroleum, opened the Kala Naft purchasing office in Calgary. This is the first major foreign purchasing office to locate in Alberta.*
- *Established contacts with High Commissioners/Ambassadors from the African region. During their stay in Alberta, there were discussions about Alberta's capabilities and how Alberta can help to meet their region's needs, particularly in education, agriculture, and oil and gas. Purchasing missions to Alberta are now expected.*
- *Coordinated an Alberta oil and gas mission to Vietnam, the first official Canadian trade mission to Vietnam. This generated considerable business activity for Alberta oil and gas technology, equipment, and service companies.*
- *Organized trade missions to China for 17 Alberta companies, and to India and Pakistan for eight Alberta companies, which resulted in significant sales and contracts. China: $800,000 in sales and a $2.8 million contract. India and Pakistan: $2 million in sales, additional $12 million in projects being pursued.*

CANADA AND THE AMERICAS

The Canada and the Americas Branch assists Alberta companies planning to export to the U.S., Latin America, and other parts of Canada. Each area represents a distinctive market which requires individual marketing programs. Special attention is given to the U.S. as a result of the Canada/U.S. Free Trade Agreement.

HIGHLIGHTS

- *Funded 213 Alberta companies through the Market Development Assistance Program to cover costs of participating in market identification trips. This program resulted in actual sales of $3,241,999 and anticipated sales of over $132,587,000 during the next year.*
- *Organized participation of 315 Alberta companies in 30 trade shows in the U.S. and other Canadian provinces.*
- *Organized 11 New Exporters to Borders States (NEBS) missions involving approximately 200 new Alberta companies.*
- *Organized six New Exporters to U.S. Southern States (NEXUS) missions involving 50 Alberta companies.*
- *Organized meetings between 60 Alberta companies and two incoming buyer's missions from Hawaii sourcing housing, building products, and waste water management technology.*
- *Organized four aerospace incoming buyer's missions from the U.S. involving 55 Alberta companies.*
- *Administered an agents and distributors matching program that put over 200 Alberta companies in contact with U.S. distributors.*
- *Arranged an incoming buyer's mission from John Deere of Molne, Illinois, resulting in six Alberta companies being added to their suppliers list.*
- *Organized and implemented three outgoing missions to the territory including Colombia, Mexico, Argentina, Chile, and Bolivia; a total of 32 companies participated.*
- *Led a record attendance of 20 oil and gas related companies to the 3rd Andean Petroleum Congress in Quito, Ecuador.*
- *Organized a first-time incoming oil and gas related mission from Cuba which met with 46 industry representatives. As a result of this mission, Alberta companies successfully sold production chemicals and pumps to the Cuban Ministry of Basic Industries.*
- *Introduced a quarterly Spanish newsletter,* Alberta Informa, *describing the latest accomplishments and technology in the oil and gas sector in Alberta. This newsletter has a circulation of 750 copies among state and privately owned oil companies.*

TRADE SHOW PROMOTION

The Trade Show Promotion Branch provides professional expertise to the Trade and Investment Division by developing and executing a trade show program to promote the sale of Alberta goods and services in export markets.

MARKETING STRATEGIES

The Marketing Strategies Branch is responsible for identifying and analyzing trade and investment opportunities for Alberta companies arising out of new international trading agreements. The Branch formulates specific strategies related to international market developments that might be undertaken by the Department .

HIGHLIGHTS

Trade Show Promotion

- *Participated in 29 trade shows. Of these, 15 shows were in Canada, seven in the United States, and the remaining seven were overseas. A total of 290 Alberta companies participated in these shows under Economic Development and Trade's trade show participation program.*
- *Involved in major projects including: Flanders High Technology, Belgium; Offshore Technology Conference, Houston; ARMX, Ottawa; Pacific Coast Builders Conference, San Francisco; Petro Mexico, Mexico City; Offshore Europe, Aberdeen; Canadian High Technology Show, Toronto; Wescon, San Francisco; China Petroleum and Natural Gas, Beijing; Globe '90, Vancouver; and the Western Canada Farm Progress Show, Regina.*
- *Conducted 12 seminars on trade show selling which were held in several Alberta communities. Co-organized seminars with a number of Chambers of Commerce, business associations, and various business groups. Over 400 people attended the seminars which focused on the preparation and presentation skills required for effective trade show promotion.*

Marketing Strategies

- *Extended the Let's Talk Trade program to include seminars involving the geographic sectors of the U.S. and Europe.*
- *Held 21 seminars focusing on exports and the Canada/U.S. Free Trade Agreement in various small Alberta communities, with 500 attendees in total.*
- *Organized two major seminars (one for Calgary and Edmonton) in October focusing on the Canada/U.S. Free Trade Agreement as well as export opportunities in other geographic areas of the world. In total 500 people attended these seminars.*
- *Organized two seminars (one in Calgary and Edmonton) which concentrated on the events occuring in the European Community and Eastern Europe after 1992. About 300 people in total attended these seminars. Five industry sectors were examined in the seminars: Agriculture and Food Products; Forest Products; Telecommunications and Electronics; Chemicals, Pharmaceuticals, Advanced Materials and Biotechnology; and Oil and Gas Equipment.*
- *Developed promotional strategies for the Trade and Investment Division, covering Europe and the Asia/Pacific region.*
- *Developed two Activity Calendars, listing all the events to be undertaken by the Trade Division, and made them available to the public.*

MARKET RESEARCH AND INTERNATIONAL FINANCE

The Market Research and International Finance Branch provides support to the line branches in developing and carrying out their marketing programs. The Branch provides assistance to the Trade and Investment Directors, as well as private sector clients, in accessing projects funded by international financial institutions. The Branch is also responsible for the compilation, evaluation, and dissemination of market intelligence. Special responsibilities assigned to this Branch include the general management of the design, procurement, construction, and operations of the Beijing Petroleum Training Centre; and the upgrading of division operations through the use of computer applications.

HIGHLIGHTS

- *Conducted the World Bank and International Financial Institutions Seminar in Calgary, attended by 65 Alberta companies.*
- *Assisted 71 Alberta companies in accessing export assistance funds and provided counsel on International Financial Institution projects.*
- *Prepared Economic Indicator reports for 97 countries with update at mid-year; also completed five Country Profiles.*
- *Prepared and completed the Export Development Guide for use by Alberta exporters and Department staff.*
- *Developed a proposal for the International Business Information Service (Electronic Bulletin Board) for export opportunity dissemination to Alberta companies via computer modem.*
- *Initiated and completed the design for the Beijing Petroleum Training Centre (Phase 1) including contract drawings and specifications for the interior works, and procurement specifications for all furniture, furnishings, and equipment. Design modifications were completed for Phase 2 of the Training Centre in the Research Building of the Research Institute for Petroleum Exploration and Development. The concept plan for operations was developed and an inventory of petroleum related trainers and exporters was compiled. Program delivery methodology and operational procedures were developed, including all preparations for the Alberta Director's transfer to Beijing.*

INVESTMENT PROMOTION

The Investment Promotion Branch promotes awareness of Alberta's economic capabilities and investment opportunities in the international investment and financial community. This is accomplished through institutions, individuals, and government agencies.

"Investment" includes active and passive investment, business immigration, joint ventures, and technology transfer agreements.

HIGHLIGHTS

- *Hosted a senior level investment mission sponsored by the Japanese Ministry of International Trade and Industry (MITI). The report prepared and published by this mission described Alberta as a good location for Japanese investors.*
- *Coordinated and assisted incoming missions from the People's Republic of China, Taiwan, Hong Kong, Japan, Singapore, Korea, Belgium, Switzerland, Germany, Austria, France, United States, and the United Kingdom. Participants in these missions established contact with Alberta firms in the following sectors: manufacturing, energy, oil and gas, biotechnology, electronics, financial, food processing, packaging, waste management, plastics, tourism and hospitality, electrical, chemical, and petrochemical.*
- *Conducted investment seminars in Korea, Singapore, and the United States.*
- *Counselled over 150 Alberta companies on the Business Immigration Program.*
- *Coordinated visits to Hong Kong for three Alberta companies seeking to attract business immigrants and funds to Alberta.*
- *Coordinated and assisted over 50 potential entrepreneurial immigrants on their visits to Alberta.*
- *Assisted and coordinated plans for seminars in Calgary and Edmonton on "Europe 1992".*
- *Assisted and coordinated corporate visits to Alberta which focused on specific investments in the pulp and paper, aerospace, recycling, hospitality, oil and gas, food processing, and manufacturing sectors.*
- *Maintained direct contact with over 1000 potential private and corporate investors.*

TOWARD 2000

POLICY AND PLANNING DIVISION

The Policy and Planning Division provides policy analysis, development, and co-ordination in the areas of business development, diversification, investment, trade, transportation, and international assistance.

The Division develops and recommends policies and strategies that address the economic opportunities and challenges affecting Alberta's diversification prospects. This is done, in part, by developing and coordinating policy initiatives across divisional and departmental lines. The Division also coordinates cross-sectoral research and analysis within the Department, including the development of forecasts and assessments of economic issues, changes, and performance.

The Division analyzes the implications of long-term global trends for Alberta's private and public sectors. Strategic intelligence is gathered in cooperation with the private sector on the future course of the world economy. To enhance the competitiveness of Alberta suppliers in export markets, the Division provides planning, project, and program support toward the development of an efficient and integrated transportation system. As well, the Division develops, coordinates, and administers programs of international development in the areas of primary health care and entrepreneurial enterprises in association with non-governmental organizations.

The Division has four branches: Policy Development and Coordination, Futures Compendium, Transportation Services, and Alberta Agency for International Development.

POLICY DEVELOPMENT AND COORDINATION

The Policy Development & Coordination Branch develops economic strategies and programs related to the broad areas of industry, small business development, diversification, investment, and trade. The Branch coordinates the Department's policy position on economic development issues, particularly those which cross divisional and departmental lines. In addition, the Branch takes a lead role in coordinating economic development initiatives at the inter-departmental level and provides a focal point for this type of activity.

HIGHLIGHTS

- *Served as the focal point in Alberta for the Interprovincial Trade Barriers Reduction Initiative - a federal/provincial initiative to reduce and, where possible, eliminate interprovincial trade barriers. Examples of drafted agreements include government procurement and the marketing of wine and spirits.*
- *Was responsible for Alberta's participation on the Western Ministers Working Group on Diversification. The Working Group provided the framework for negotiating a Memorandum of Understanding between the Western Provinces and the Government of Canada to implement the $600 million Western Procurement Initiative.*
- *Developed policy positions for Alberta in support of the Canada/U.S. Free Trade Agreement follow-up negotiations to accelerate tariff reductions, develop consistent technical standards, expand the services agreement, and pursue alternatives to discipline the use of subsidies in the two countries. Also took part in efforts to promote economic cooperation with neighbouring U.S. states.*
- *Developed policy positions, in cooperation with other departments and the private sector, to increase and secure access to international markets for Alberta business, as input to the present Round of Multilateral Trade Negotiations. Also represented Alberta in the negotiations to resolve a dispute between Canada and the European Community regarding liquor marketing practices.*
- *Coordinated Alberta's efforts to expand trade and investment ties with the Asia/Pacific region, through support to initiatives including the Pacific Economic Cooperation Conference (PECC), the Canada/Japan Joint Economic Framework, and bilateral economic cooperation agreements.*
- *Supported the work of the Deputy Ministers Committee for Coordination of Economic Development, Diversification and Trade by fostering greater coordination across departments on policy and program initiatives. This included the development of interdepartmental positions on diversification, small business, trade, and investment issues.*
- *Reviewed the impact of specific economic initiatives on Alberta's competitiveness with respect to attracting and retaining investment. These included the impact of the proposed Goods & Services Tax and the opportunities associated with the Canada/U.S. Free Trade Agreement.*
- *Coordinated the interdepartmental review of investment applications under the provisions of the Investment Canada Act and the review of business plans under the Business Immigration Program.*

FUTURES COMPENDIUM

In order to assist Alberta Economic Development and Trade to achieve its mission of improving the short-term and long-term well-being of Albertans, the Futures Compendium develops strategic intelligence on the likely future course of the world economy. Intelligence is based on economic, social, and technological change, as well as information on long-term structural change. On the basis of this strategic intelligence, the Futures Compendium identifies implications of long-term global opportunities and challenges for Alberta's private and public sectors, develops long-term strategic directions for the Department, and acts as a catalyst for change. The Futures Compendium accomplishes this by working with its private sector Advisory Council, other divisions of the Department, and other Departments.

HIGHLIGHTS

- *Enhanced the futures scanning and monitoring system, which compiles information on trends, events, and emerging issues by widening the scope of sources. This resulted in a highly effective information base which is accessed by various other groups within government.*
- *Initiated and completed a number of joint venture work projects both internally and with other departments, the results of which were most encouraging. Similar types of projects were also in progress.*
- *Held two meetings of the Futures Compendium's private sector Advisory Council, the last of which was attended by other departments. The distinguished keynote speakers were His Excellency Ambassador Wolfgang Behrends of the Federal Republic of Germany, and Dr. Laurence Moss, a renowned international expert on Southeast Asia.*
- *Involved in implementing the 1990 scenario process which is targeted for completion in the summer of 1991.*

TRANSPORTATION SERVICES

The Transportation Services Branch provides policy analysis, planning, project, and program support. As well, the Branch acts as a catalyst towards the development of an adequate and cost-effective transportation system for Alberta companies to compete in export and domestic markets.

HIGHLIGHTS

- *Facilitated the development of local airport authorities in Calgary and Edmonton through financial support and provincial legislation. The two authorities are negotiating with the federal government for transfer of their airports. As well, Edmonton's Local Airport Authority is seeking to have the municipal Airport included in the City of Edmonton's operations.*
- *Participated in a ministerial Task Force on Rail Passenger Services with representatives from Banff-Lake Louise, Calgary, Edmonton, Jasper, as well as the Province. A final report was released and Alberta continued to encourage the federal government to lay the necessary groundwork towards a private sector mountain network.*
- *Worked on improvements to the Western Grain Transportation Act. Using the National Transportation Agency's base year cost calculation, it was argued that productivity gains kept by railways were excessive. The Federal Court of Appeal upheld this position and saved western farmers up to $100 million in freight rates. A proposal was generated for paying the transport subsidy to the producer, rather than to the railway. The proposal was accepted by the Alberta Wheat Pool and a proposal is being prepared in cooperation with Alberta Agriculture for the federal government's consideration.*
- *Completed a study on the GST's impact on transportation.*
- *Participated in the Fort Saskatchewan Fort Centre railway relocation project. During the year, the project management team was named and land redevelopment began. The Lethbridge railway relocation project achieved 80% redevelopment, with 18 acres of land remaining to be sold or leased.*
- *Analyzed the significant challenges facing the West Coast ports in response to the growing demand generated by export. A western provincial position is to be formulated.*
- *Participated in a committee of the four western provinces, led by Alberta, to ensure regional economic development impacts are used in developing Canada's negotiation position on international air service.*
- *Oversaw the substantial completion of construction of the 16.5 km rail spur to the new Daishowa pulp plant from Peace River by acting as the Agent for Alberta Resources Railway.*
- *Prepared, in conjunction with the private sector and other provincial departments, the province's submission to the federal Public Review Panel on Tanker Safety and Marine Spills Response Capability.*
- *Conducted 16 separate workshops on Transportation, Warehousing, Customer Service, Inventory Management, and Physical Distribution and the Computer - all through the Alberta Physical Distribution Program.*

ALBERTA AGENCY FOR INTERNATIONAL DEVELOPMENT

Alberta and Canadian Non-Governmental Organizations (NGO's) are private and voluntary agencies engaged in social and economic development assistance work in less-developed countries. They have a well-earned and worldwide reputation for the excellence of their development projects and programs. Albertans recognize both the quality of this work and the great need for it in today's world by generously contributing more to the NGO's, on a per capita basis, than any other province. Last year these contributions totalled in excess of $22 million.

The Government of Alberta provides financial support for NGO's work through the Alberta Agency for International Development, established in the Business Finance Development Branch during the 1989-90 fiscal year. Support is provided on a project-by-project basis, with each project submitted receiving a careful assessment and evaluation in terms of its developmental impact and cost in relation to anticipated results. Four categories of projects are eligible for Alberta government financial assistance: primary health care, small business enterprise, vocational training, and food production.

HIGHLIGHTS

- *Worked with a budget of $2 million for project financial assistance.*
- *Provided non-governmental organizations with $1,997,797 in matching project funds.*
- *Supported 168 projects.*
- *Supported the efforts of people in 54 less-developed countries to improve their economic and social conditions.*
- *Provided financial assistance to 70 non-governmental organizations participating in the program.*

REPORT FROM THE SERVICE BRANCHES

FINANCE AND ADMINISTRATION

Finance and Administration provides responsive central departmental support, co-ordination, and guidance in the areas of accounting, budgeting, information management, electronic data processing (EDP), physical facilities, and office services. The assistance of this Branch enables the Department to achieve its goals and objectives. In addition, it develops and recommends policies which advocate responsible financial and resource management practices.

Services are accomplished through the effective and efficient use of given resources. Expertise and assistance is provided to the Department and its clients within the parameters of applicable acts, regulations, policies, and guidelines.

HIGHLIGHTS

- *Assisted with the development of internal financial controls and accounts payable procedures for the Alberta Capital Loan Guarantee and Small Business Interest Shielding Program. Also acquired office facilities and equipment for the Program.*
- *Implemented Phase II of the Department's three year EDP strategy which consisted of acquiring and installing a microcomputer and thirty-seven minicomputers.*
- *Installed microcomputer networks in the Minister's Office and the Calgary Regional Office to enhance electronic data processing and communications.*
- *Provided advice and assistance to senior management in the establishment of the annual budget, including the allocation of resources following Departmental reorganization.*
- *Compiled finders guides to assist clients of the Library to access information more efficiently. During the year, assisted in excess of 13,000 patrons.*
- *Coordinated the relocation of the Lethbridge and Camrose Regional Offices to new premises.*
- *Continued to enhance the Department's records management program. A total of 2,800 cubic feet of records were stored/disposed of during the period.*

HUMAN RESOURCES

The Human Resources office provides consultative services to the Department in human resource management, support services to employees, and salary and benefits administration.

The role of this office is to facilitate human resource management. Effective, consistent, and equitable human resource procedures are established through the initiation, development, and implementation of human resource policies. The office provides advice and support to management and staff in human resource planning, employee wellness, employee relations, staff development, performance management, succession planning, organizational development, and employee benefits.

The Human Resources Office administers the staffing, classification, and compensation systems within the statutory requirements of applicable acts, regulations, and policies of central control agencies.

HIGHLIGHTS

- *Supported the staffing and development of the department.*
- *Administered and managed 71 recruitment actions, as well as 128 temporary staff activities.*
- *Assisted management with their staffing/human resources and organization planning and classification of 159 position allocation requests.*
- *Supported, planned, and co-ordinated training and development; counselled staff and administered 321 training actions.*
- *Recognized the need for effective and pro-active performance management; developed a performance management program to be fully implemented in the next fiscal year.*
- *Supported the career development and personal planning needs of staff; developed a departmental training and development resource room.*
- *Furthered community awareness of departmental programs; instituted a Regional Office Work Experience Program.*
- *With the implementation of a Government-wide Administration Support Series, reviewed and assessed 81 positions to integrate into the new series. Concurrently developed classification profiles to streamline the assessment of positions, and provide feedback and support to all staff in the transition into the new series.*

COMMUNICATIONS AND INFORMATION

The Communications and Information Branch supports the Department's economic diversification initiatives by providing communications and public relations consulting, as well as technical services.

The Branch's efforts ensure the flow of accurate and timely information to the general public, media, and business and government communities within Alberta, Canada, and internationally.

Services include developing communications plans; preparing news releases and press conferences; producing publications, audio visual and video presentations, displays, advertising, and direct mail campaigns; and writing and editing services.

The Branch also acts as the liaison between the Department and media, answering questions and providing information on government programs, policies, and services.

HIGHLIGHTS

- *Created special advertising campaigns, news releases, and publications for the promotion of Export Trade Month and Small Business Week.*
- *Developed communications materials for the 8th Annual Alberta Export Achievement Awards. These included news releases, invitations, certificates, the program, advertising, and displays, developed to promote both the event and the Alberta companies which received awards.*
- *Continued production and distribution of* Venture - Alberta's Opportunity Magazine.
- *Provided communications support to various incoming and outgoing missions.*
- *Produced numerous publications, including* Alberta Economy At A Glance, International Trade Review, Alberta Profile - *published in nine languages,* The Albertans, *and the* Alberta Business Program Guide.
- *Produced a series of brochures and publications to correspond with the Let's Talk Trade seminars.*
- *Provided communications support to various trade shows around the world.*
- *Produced the promotional video,* The Albertans, *gold medal winner at the 1989 International Film & TV Festival of New York.*
- *Introduced the newsletters,* Probe *and* Informa, *in coordination with the Department's Trade Division.*
- *Created a photo display featuring nine prominent Alberta women.*
- *Developed the Human Resources Information Package for distribution to all Department employees.*

REFERENCE AND INFORMATION

Alberta Economic Development and Trade publishes a series of publications and informational brochures for Alberta's business community. Copies are available by contacting the Communications and Information Branch at (403) 427-0670.

NOW AVAILABLE

***Alberta Profile**: a comprehensive exploration of the dynamics of Alberta's economy, the land, and its people.*

***Alberta Business Program Guide**: a single-source listing of over 100 programs and services offered by provincial and federal government departments.*

***Alberta - Canada's Petrochemical Province**: addresses the advantages, opportunities, and future of the petrochemical industry in the province.*

***The Economy at a Glance**: offers a brief overview of Alberta's economic accomplishments - from diversification efforts on the homefront to trade and investment overseas.*

***Cold-Climate Technology**: examines the industry, opportunities, and exporting of cold-climate expertise.*

***Alberta Venture Magazine**: a quarterly news magazine featuring success stories on Alberta industries, companies and people; and providing information on government programs and services.*

***Alberta Manufacturers Index**: a comprehensive directory of Alberta's manufacturers including addresses and contacts.*

***WPIN (Western Purchasing Information Network)**: describes the computer network which delivers live procurement data from the government purchasing branches of British Columbia, Alberta, Saskatchewan, and Manitoba; includes information on how to access the network.*

***International Trade Review 1989**: a convenient data source of Alberta's international trade in goods including export and import figures by commodity and country.*

***Let's Talk Trade Publications**: a series of publications designed to assist Alberta businesses to compete in the global marketplace, including information on exporting opportunities and the programs available. Let's Talk Trade publications include:*

- ***Targetting Tomorrow** - a Ministerial trade policy statement with an emphasis on a new and enhanced U.S. Trade and Investment strategy.*
- ***Seizing the Opportunity** - a guide to the impacts and opportunities arising from the U.S./Canada Free Trade Agreement (FTA).*
- ***Strategies for Success** - an overview of exporting to the United States, identifying key issues for strategy development.*
- ***Financial Programs Guide for Alberta Exporters** - a description of the financial assistance programs available to Alberta companies.*

Program brochures provide information on the specific programs available to Alberta exporters, including:

EXTRA *(Export Trade Readiness for Alberta)*
NEXUS *(New Exporters to U.S. South)*
NEBS *(New Exporters to Border States)*
WITS *(Winning Initiatives Through Trade Shows)*
TEST *(Transportation Export Services for Trade)*

SMALL BUSINESS PUBLICATIONS

A series of self-help booklets with information on running a small business in Alberta. Titles include:

Bookkeeping for a Small Business
Marketing for a Small Business
Financing a Small Business
Starting a Small Business
Operating a Small Retail Business
Operating a Small Service Business
Operating a Small Manufacturing Business
Selecting a Small Business Computer System
Buying a Business
Kind of Business Files
Management Assistance Program for Small Business
Serving Small Business.

COMMISSIONER GENERAL

The Office of the Commissioner General for Trade and Tourism promotes and enhances the potential of trade, industrial diversification and investment through foreign countries.

The Commissioner General's Office supports Alberta's economic development by initiating and participating in trade missions, identifying export and investment opportunities, providing counsel on international business practices, and identifying international and domestic markets. In addition, may assist Alberta municipalities and exhibition associations through advising and/or supporting their endeavours for economic development and special exhibitions.

MAJOR HIGHLIGHTS

Trade Missions

- *Introduced Alberta companies to opportunities or helped them in their export of oil and gas equipment, engineering services, prefabricated housing, grain storage, water purification, high technology products, petrochemical processing plants, processed food products - to mention only a few products and services, installations and joint ventures.*
- *Provided counselling, hosting, and/or initiated negotiations for 144 foreign companies, bankers, government agencies, and individuals visiting Alberta. This resulted in the securing of millions of dollars in export sales, joint ventures, and investment.*
- *Together with Edmonton Northlands successfully negotiated for the Ukrainian Trade Show, the first independent international trade show ever held outside a socialist nation.*
- *Met with governments and Chief Executive Officers of foreign countries, where appropriate, encouraging them to continue to buy Alberta products and services.*
- *Participated for Alberta in one of the largest trade shows in Europe, as well as was one of only two Canadian guest speakers at an international investment conference in Europe where all other speakers were either from the United States or the European Community.*
- *Conveyed to Alberta companies opportunities for transfer of technology or research from other countries to Alberta such as new techniques in cancer detection, mechanical optics and laser application, and food processing.*

Activities in Alberta

- *Assisted several incoming international government delegations in their quests for joint opportunities in exportable technology, including educational programs.*
- *Introduced numerous journalists from foreign countries, representing major publications, to the economic opportunities and challenges of our province.*
- *Met with Alberta native chiefs, economic advisors and members of several reservations to introduce them to overseas business opportunities.*
- *Addressed many colleges, universities, and business and cultural heritage associations regarding opportunities in the international marketplace.*

TOWARD 2000

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Edson, Alberta
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MEDICINE HAT
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T1A 067
Ph. 529-3630

ST. PAUL
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Provincial Building
5025-49 Avenue
St. Paul, Alberta
T0A 3A0
Ph. 645-6358

BUSINESS LINE
The Business Line is a toll-free service of Alberta Economic Development and Trade, established to provide the province's entrepreneurs with an easily accessible resource centre when starting, operating, or expanding their business.
Call 1-800-272-9675.
In Edmonton call 422-9494
(8:30 a.m. to 4:30 p.m., Monday - Friday).